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BLM Cedar City Field Office Site Inspection Report

May 14, 2003

To: Case file UTU-71326, 43 CFR 3809 Disturbance
Dave Penney,
Sliver #1-4 Picasso Marble Mines

RECEIVED

MAY 20 2003

From: Ed Ginouves, CCFO Mining Engineer

DIV. OF OIL, GAS & MINING

Subject: Site Inspection / Meeting Records

On May 13, 2003, I re-visited the south (or dark) Picasso marble pit, which is located mostly on private land and partially on BLM land. On May 9, 2003, through a conversation with Mr. Steve Hodges of Beaver (this conversation occurred as part of a joint site inspection of Mr. Hodges's Anvil Project, UTU-72221), I learned that Mr. Penney did not have any right-of-entry agreement with Mr. Karl Truman of Minersville, the private land owner on which most of the south Picasso pit was located. On May 13th I reached Mr. Truman via telephone at his place of business in Minersville (Minersville Feed, 88 E 100 S, Minersville, 435-386-2222). Mr. Truman confirmed that he did not have any agreement with Mr. Penney to enter and mine on his land. I told Mr. Truman that I had provided Mr. Penney with a property boundary map in October, 2002 and that the map clearly depicted the pit outline relative to the property lines. I informed Mr. Truman that I would be visited the site that day to try to collect additional claim monument location to confirm/verify my earlier work on the location of the property lines. On my way to the property, I met with Mr. Truman at his place of business and showed him the best map I had been able to generate to date and had provided to Mr. Penney. I told him that I wanted to re-check the existing data and gather additional data before providing him with a copy of the map. I said that I would make a copy of the corrected map available to him as soon as possible, and requested that he not take any legal action until I had a chance to further confirm the accuracy of the map.

I next traveled to the Lincoln Gulch area and, using my existing map as a guide to possible patented claim corner / monument locations, I searched for additional monuments. I selected areas of search that, due to proximity to known disturbances, roads, or topographic features, would be easiest to locate. I began my search in the vicinity of the Lincoln Mine, concentrating on a group of corners associated with the Baltimore, American, and Maine claims. I then searched for the NE corner of the Forrest Queen. Finally I searched for corners just south of the Picasso pit associated with the Independence, Key No. 2 and Lone Brother. All told I was able to collect data on a total of 19 monuments, believed to represent claim corner monuments. These monuments consisted of a small rock mound with or without a wooden post of some type. Two of the monuments with wooden posts had the number inscription of 6299 on one side of the post, clearly linking them to the claims surveyed through mineral survey 6299. One of the monuments was a 6" by 6" by 7' long wooden post lying at the base of a large rock mound and inscribed USMM No. 1. I photographed the monuments (as found) that had inscriptions, and obtained pint locations for all of the monuments found utilizing a GeoExplorer 3 hand-held GPS receiver / datalogger.

Before leaving the site, I stopped at the south Picasso pit, where a tracked excavator had been actively working during my search. Ms. Desiree Penney (one of Mr. Penney's daughters) was alone at the site and had been operating the excavator. I introduced myself and explained what I had been doing and stated that I was virtually certain and most of the pit area fell on Mr. Truman's private land and that I had met with Mr. Truman earlier in the day to inform him of that. I said that I was in the process of checking the data and, once I had confirmed it, I would return to the site to place clearly visible monuments along the private / BLM property line. I said that these markers would be as precise as possible without obtaining a registered surveyor to retrace the original patented claim lines. I said that I felt they would be accurate to within 5'-10' of the true line.

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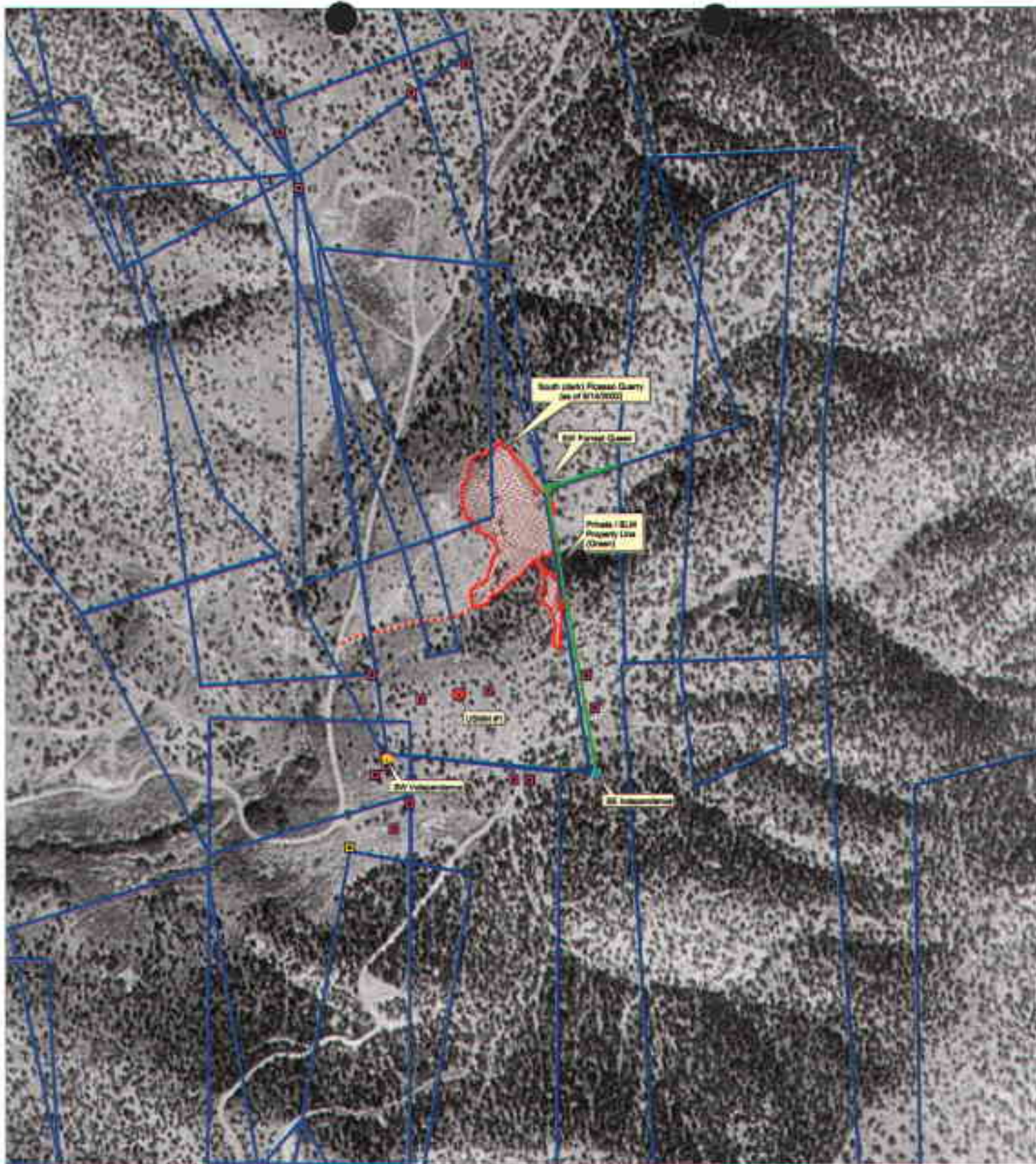
On May 14th I worked with Mr. Dubrasky, who heads the GIS team at the CCFO, to adjust the map depiction of the patented claim block to the data I had collected. My initial map had been created by scanning the mineral survey plat and registering this scanned image to the surveyed land net through the use of plotted section corners location on the mineral survey map. Using the GPS data from May 13th and re-examination of the mineral survey notes, I adjusted this image ~120' to the north to obtain a better representation of reality. The new image is fundamentally tied to the known location of USMM#1, from which all the patented claim survey are linked. Inaccuracies in this new better map are fundamentally caused by the inherent inaccuracies in the mineral survey plat and the method used to adjust its scale and overlay it on the aerial photography. In spite of these shortcomings, the map is a close representation of the claim location in relationship to man-made and natural features on the ground.

To create GPS coordinates from which I could locate missing monuments and / or trace claim boundary lines on the ground, I took the mineral survey data (surveyed distances and bearings from USMM #1) and software downloaded from the internet which generates UTM Northings and Eastings from a known starting point and a distance and bearing. These calculated points should be very accurate locations for the features calculated, and where a difference exists between the calculated points and the map image, the calculated points should be more accurate. The following table contains values created by that process.

Monument	UTM Northing	UTM Easting
USMM #1	4,237,029.5	335,016.9
Independence Corner #1 (SW)	4,236,971.4	334,952.5
Independence Corner #4 (SE)	4,236,959.4	335,140.9
Forrest Queen Corner #1 (SW)	4,237,214.2	335,096.1
BLM inholding NE corner	4,237,233.1	335,161.0
Point A (on BLM / private boundary line)	4,237,109.0	335,112.8
Point B (on BLM / private boundary line)	4,237,258.9	335,084.6

Plotting these points on the map image (showing the patented claim block on the aerial photography), supports the map image depiction in that the calculated location of corner monuments closely matches the image locations. Points A and B are two points I selected along the east boundary of the Independence claim (which is also the west boundary of northern half of the BLM inholding parcel, this parcel being the BLM land on which Mr. Penney located one or more unpatented mining claims) which could be monumented on the ground to provided readily visible points to determine on whose property the mine disturbances fall. The are located 500' and 1000' north (along the boundary line of) the east claim line of the Independence claim. Corner #1 of the Forrest Queen is very close to the NW corner of the BLM parcel.

The morning of May 14th I was called by Mr. Truman who told me he had been contacted by Mr. Penney that morning and that Mr. Penney had offered him \$10,000 for the land on which the Picasso mine was located. Mr. Truman told me that he declined the offer. I told Mr. Truman I was in the process of checking my map image and would generate survey points to place boundary monuments on the ground in the vicinity of the disturbance. I agreed to provide Mr. Truman with this data and map and meet with him at the mine site on Friday to point out the location of monuments I located and explain how the boundary line was determined. I was also called that morning by Deputy Mott of the Beaver County Sheriff's Department. Apparently Mr. Truman had contacted the Sheriff's Dept. earlier that day to get the Sheriff to bar Mr. Penney from his property. Mr. Mott questioned me regarding the nature of the trespass, and I summarized my understanding of the applicable State Statutes (surface and mineral trespass) that had been violated by Mr. Penney. I told Mr. Mott that I would try to work with Mr. Truman and Mr. Penney to gain a mutually beneficial solution to the trespass. I said that if an agreement couldn't be reached Mr. Truman would have to file suit against Mr. Penney in civil court and seek legal remedies to the trespass and any damages due him.



Project: Sliver #1-2
 Operator: Dave Penney
 BLM File: UTU-71326
 DOGM File: S/001/035
 Date Mapped: August 14, 2002
 Notes: 2.02 acres total disturbance
 as of 8/14/2002

- Private / BLM Property Line/boundary line.shp
- SW Forested Quarry.shp
- Point2.shp
- SE Independencepoint2
- SW Independencepoint1
- USNM1
- Monument FoundPoint.shp
- shifted data
- Monument FoundMin_pl.shp
- Min_line.shp
- Disturbed (8/14/2002)Min_area.shp



Scale 1: 4,800
 1"= 400'

Map prepared by Ed Ginouves, BLM CCFO
 Property line accuracy is limited by real-time GPS
 receiver inaccuracy of up to +/- 10 meters